

COMMONWEALTH OF KENTUCKY
BEFORE THE PUBLIC SERVICE COMMISSION

In the Matter of:

PURCHASED WATER ADJUSTMENT)	
OF POWELL'S VALLEY WATER)	CASE NO. 2009-00406
DISTRICT		

O R D E R

On October 7, 2009, Powell's Valley Water District ("Powell's Valley") applied for approval to adjust its rates pursuant to the purchased water adjustment procedure.¹

The Commission, having reviewed the record and being sufficiently advised, finds that:

1. Powell's Valley purchases water from the Beech Fork Water Commission ("Beech Fork").
2. Beech Fork notified Powell's Valley that, effective with its January 1, 2010 billing, Beech Fork's wholesale water rate to Powell's Valley would increase from \$1.90 per 1,000 gallons to \$2.57 per 1,000 gallons. Powell's Valley proposes to increase the water rates to its customers effective January 1, 2010.
3. During the 12 months ending September 30, 2009, Powell's Valley purchased a total of 139,714,000 gallons of water and sold 108,435,250 gallons. The increase in the cost of purchased water is \$93,608.38, resulting in a purchased water adjustment of \$0.87 per 1,000 gallons.

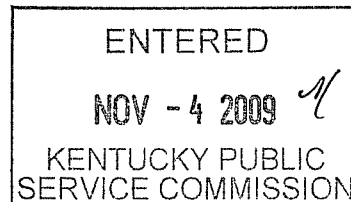
¹ KRS 278.015; 807 KAR 5:068.

4. The rates proposed by Powell's Valley should be approved.
5. The purchased water adjustment of \$0.87 per 1,000 gallons is fair, just, and reasonable and should be approved.

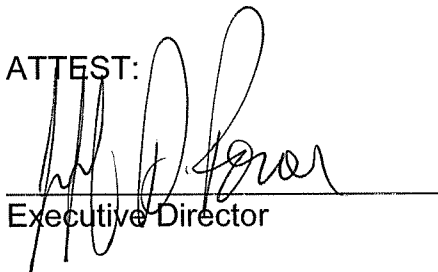
IT IS THEREFORE ORDERED that:

1. The rates proposed by Powell's Valley are approved.
2. The purchased water adjustment of \$0.87 per 1,000 gallons as calculated in Appendix A is approved.
3. The rates in Appendix B, attached hereto and incorporated herein, are fair, just, and reasonable and are approved for services on or after January 1, 2010.
4. The tariff sheets filed by Powell's Valley are approved as filed.

By the Commission



ATTEST:


Executive Director

APPENDIX A

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2009-00406 DATED ~~NOV - 4~~ 2009

	New Rate	Base Rate	
Powell's Valley Water			
Purchases in gallons	139,714,000	139,714,000	
Volumetric rate	<u>\$2.57/1,000</u>	<u>\$1.90/1,000</u>	
	\$359,064.98	\$265,456.60	
	Increased water cost		\$93,608.38
Increased water cost		\$ 93,608.38	
Divided by gallons sold		<u>108,435,250</u>	
Purchased water adjustment factor		\$0.87 per 1,000 gallons	

APPENDIX B

APPENDIX TO AN ORDER OF THE KENTUCKY PUBLIC SERVICE COMMISSION IN CASE NO. 2009-00406 DATED NOV - 4 2009

The following rates and charges are prescribed for the customers in the area served by Powell's Valley Water District. All other rates and charges not specifically mentioned herein shall remain the same as those in effect under authority of the Commission prior to the effective date of this Order.

Monthly Water Rates

First 2,000 Gallons	\$20.74 Minimum Bill
Next 2,000 Gallons	8.96 Per 1,000 Gallons
Next 2,000 Gallons	8.06 Per 1,000 Gallons
Over 6,000 Gallons	7.53 Per 1,000 Gallons

Stephen Everman
Chairman
Powell's Valley Water District (Water Division)
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